

1 Honorable Frederick P. Corbit
2 Chapter 11
3 Response Date: February 17, 2020
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10 IN THE UNITED STATES BANKRUPTCY COURT
11 EASTERN DISTRICT OF WASHINGTON
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14 In Re:
15
16 GIGA WATT, INC.,
17

Debtor.

In Chapter 11 Proceeding

Case No. 18-03197-FPC11

**NOTICE AND MOTION TO
COMPEL TRUSTEE TO
ABANDON ALLRISE MINING
POD**

18 PLEASE TAKE NOTICE that creditor Allrise IP Holding, Inc. ("Allrise")
19 is filing a Motion to Compel Trustee to Abandon the Allrise Mining Farm
20 ("Motion") in this Chapter 11 Bankruptcy Case. Allrise seeks an order
21 compelling the Trustee to abandon a "Mining Farm" which consists of one
22 structure located at 7906 Randolph Road, Moses Lake, Washington 98837, with
23 the aggregate capacity of 1.25 MW and useful capacity of 1.2 MW connected to
24 the power line of Grant County PUD. Pursuant to a Mining Farm Development
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NOTICE AND MOTION TO COMPEL THE TRUSTEE TO
ABANDON THE ALLRISE MISSING POD - 1

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1 Agreement dated May 2, 2017, and entered into by and between Allrise and the
2 Debtor, the Mining Farm belongs to Allrise. However, to date, the Mining Farm
3 remains in possession of Giga Watt, Inc. (the “Debtor”). Despite multiple verbal
4 and written requests, the Debtor has declined to proceed in a productive manner.
5

6 PLEASE TAKE FURTHER NOTICE that any party opposing the Motion
7 must serve a written response to the undersigned counsel at 1201 Third Avenue,
8 Suite 3400, Seattle, WA 98101, and file the response with the Clerk of the
9 United States Bankruptcy Court, 904 West Riverside Avenue, Suite 304,
10 Spokane, WA 99201 on the response date which is February 17, 2020. The
11 Court may enter an order and grant the Motion without an actual hearing or
12 further notice unless a written objection is timely served and filed.
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16 **MOTION TO COMPEL THE TRUSTEE TO ABANDON**
THE ALLRISE MINING POD

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18 Creditor and Mining Farm owner Allrise IP Holding, Inc. (“Allrise”)
19 moves this Court for an Order compelling the Trustee to abandon a “Mining
20 Farm” which consists of one structure located at 7906 Randolph Road, Moses
21 Lake, Washington 98837, with the aggregate capacity of 1.25 MW and useful
22 capacity of 1.2 MW connected to the power line of Grant County PUD. Pursuant
23 to a Development Agreement (defined below), the Mining Farm belongs to
24



1 Allrise but remains in possession of Giga Watt, Inc. (the “Debtor”).¹ This
2 Motion is based on the following facts:
3

4 1. This case was commenced with the filing of a petition on
5 November 19, 2018. (Dkt. 1). Mark Waldron was duly appointed to serve as the
6 Chapter 11 Trustee in this case (“Trustee”) on January 18, 2019. (Dkt. 121).
7

8 2. This motion is brought pursuant to 11 U.S.C. §554(b) and Rule
9 6007 of the Federal Rules of Bankruptcy Procedure.
10

11 3. On May 2, 2017, the Debtor and Allrise entered into a Mining Farm
12 Development Agreement (the “Development Agreement”). In the Development
13 Agreement, the Debtor agreed to construct the “Mining Farm” on “the land
14 subleased by [Allrise] and for the use by [Allrise],” and Allrise paid the Debtor
15 \$1,200,000 for its construction. Ross Miller’s Declaration in support of this
16 value is filed concurrently with this Motion and incorporated herein by
17 reference.
18

19 4. Paragraph 4 of the Development Agreement states that Allrise owns
20 the Mining Farm:
21
22

23
24 ¹ By this Motion, and for purposes of clarity, Allrise is not seeking an order
25 compelling the abandonment of the Debtor’s entire Bitcoin mining
26 operation. Allrise is only seeking the “Pod” that it acquired under the
Development Agreement. The word “Pod” is commonly used in the Bitcoin
industry to describe the structure conveyed to Allrise in the Development
Agreement. The terms “Pod” and “Mining Farm,” as used in the
Development Agreement, are synonymous.



1 4. **Ownership of Mining Farm.** Client shall be
2 the sole owner of the Mining Farm constructed under
3 this Agreement. The ownership of the Mining Farm is
4 subject to the land sublease, which Client has with
5 Allrise IP Holding, Inc., a Delaware corporation
6 ("Sublease Agreement"). In construction and operation
7 of the Mining Farm, Client shall be bound by the terms
8 of the Sublease Agreement.

9
10 5. Other than Allrise, no other party holds an ownership interest in the
11 Mining Farm.²

12 6. The Debtor has not claimed an exemption in the Missing Miners.
13 7. Pursuant to 11 U.S.C. § 554(b), the Court may order the Trustee to
14 abandon the estate's interest in assets of the estate:

15 (b) On request of a party in interest and after notice
16 and a hearing, the court may order the trustee to
17 abandon any property of the estate that is burdensome
18 to the estate or that is of inconsequential value and
19 benefit to the estate.

20 8. Federal Rules of Bankruptcy Procedure 6007(b) permits a party in
21 interest to file a motion seeking to compel the Trustee to abandon property of
22 the estate.

23

24 ² Allrise anticipates that the Trustee will argue in Opposition that the Debtor
25 owns the Mining Farm. Allrise believes that the Trustee will contend that Allrise
26 no longer owns the Mining Farm because the Sublease Agreement purportedly
 violated a Master Lease between the Debtor and its landlord for the Moses Lake
 Facility, and the Debtor rejected the Sublease Agreement. Allrise disputes the
 Trustee's contentions because the purported invalidity or rejection of the
 Sublease Agreement does not have any bearing on Allrise's ownership of the
 Pod because the Sublease Agreement is silent on the Mining Farm's ownership.



1 9. Based on the foregoing and the Declaration of Ross Miller filed
2 herewith, the value of the Estate's interest in the Mining Farm is \$0.00.
3

4 **WHEREFORE**, Allrise moves the Court to compel the Trustee to
5 abandon the Mining Farm.

6 DATED this 24th day of January, 2020.
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